



May 5, 2022

Health Insurance Advisory Council
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920

Dear Health Insurance Advisory Council members:

When the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) was created in 2004, the General Assembly provided in [State of Rhode Island General Laws § 42-14.5-2](#) that the health insurance commissioner would discharge the powers and duties of office to, among other directives, “view the health care system as a comprehensive entity and encourage and direct insurers towards policies that advance the welfare of the public through overall efficiency, improved health care quality, and appropriate access” as well as “encourage policies and developments that improve the quality and efficiency of health care service delivery and outcomes.” These parts of OHIC’s statutory purpose speak to the necessity of bringing a holistic perspective to policymaking in the health care field.

Consistent with this, from time to time, OHIC has authored or commissioned reports that examine various features of the health care delivery system. These have been related to, but not solely focused on, the business of health insurance. Specifically, studies on the variation in payment levels across hospitals in 2010 and 2012, a study on hospital readmissions in 2014, a report on the market impact of proposed hospital acquisition activity in 2018, and working papers examining the implications of potential hospital merger activity in 2021 and 2022 have all been completed and released.

As an agency with important policy reform and regulatory enforcement functions that impact health care and the local economy more broadly, the provision of information to inform critical public discourse around the present and future state of health care in Rhode Island must always remain a focus for OHIC. In view of this, and consistent with OHIC’s statutory charge to “view the health care system as a comprehensive entity,” the National Academy for State Health Policy (NASHP), at OHIC’s request, has provided a presentation and analysis of the financial performance and operating costs of Rhode Island’s hospitals using the [NASHP Hospital Cost Tool](#).

It is my hope that that this information will inform the vital policy discourse regarding Rhode Island’s hospitals as the office—and stakeholders statewide—continue to work together to ensure that the state has a hospital delivery system that has as its features: affordable and predictable cost growth, improved financial stability, and technical innovation in care delivery to support population health management and quality excellence.

Sincerely,

Patrick M. Tigue
Health Insurance Commissioner

CC: Cory King, Chief of Staff, State of Rhode Island Office of the Health Insurance Commissioner

Enclosures: NASHP RI